

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,	)	INDICTMENT	CR 12-177 MJD/JSM
	)		
Plaintiff,	)	(18 U.S.C. § 2)	
	)	(18 U.S.C. § 982(a))	
v.	)	(18 U.S.C. § 1341)	
CHRISTOPHER JON ANDREWS,	)	(18 U.S.C. § 1343)	
a/k/a Chris Andrews,	)	(18 U.S.C. § 1349)	
	)	(18 U.S.C. § 2461(c))	
Defendant.	)		

THE UNITED STATES GRAND JURY CHARGES THAT:

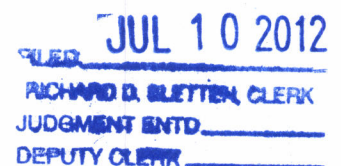
BACKGROUND

1. At all times relevant to this Indictment, defendant Christopher Jon Andrews ("Chris Andrews") and L.A. were individual residents of the State of Minnesota.

2. At all times relevant to this Indictment, defendant Chris Andrews and L.A. conducted business in Minnesota under entities named ACL Homes, LLC ("ACL"), LMA Real Estate Services, LLC ("LMA"), and CNC Management, LLC ("CNC"), among entities with names containing the terms "ACL", "LMA", or "CNC."

3. In or about 2005, P.O. was a real estate agent engaged in real estate transactions through a real estate brokerage operated by P.O.

4. In or about 2006, L.A. became a real estate agent licensed in the State of Minnesota, and thereafter engaged in



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real estate transactions through an identified real estate brokerage.

5. At all times relevant to this Indictment, Team Access was a mortgage brokerage company licensed to conduct business in the State of Minnesota and was operated by Daniel Boler ("Boler").

6. At all times relevant to this Indictment, Trend Title, was a title closing company licensed to conduct business in the State of Minnesota and was operated by Susanne Mathis ("Mathis").

7. At all times relevant to this Indictment, P., was a title closing company licensed to conduct business in the State of Minnesota.

8. At all times relevant to this Indictment, M.T.R., was a real estate brokerage licensed to conduct business in the State of Minnesota and employed the services of Lindsay Loyear ("Loyear"), a licensed real estate professional.

COUNT 1

(Conspiracy To Commit Mortgage Fraud  
Through Interstate Wire And The Mails)

9. Within the time frame beginning in or about 2005 and ending in or about 2008, in the State and District of Minnesota, the defendant,

**CHRISTOPHER JON ANDREWS,**

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did unlawfully, willfully and knowingly conspire, combine, confederate and agree with Boler, Loyear, Mathis, L.A., P.O., and other persons known and unknown to the grand jury to commit an offense against the United States, namely: to devise a scheme and artifice to defraud mortgage lenders, and to obtain money and property from mortgage lenders by means of material false and fraudulent representations and promises and material omissions, for the purpose of executing such scheme,

i. transmitted and caused to be transmitted by means of interstate wire certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343; and

ii. deposited and caused to be deposited any matter or thing whatever in the United States Mail or interstate commercial carrier for delivery, in violation of Title 18, United States Code, Section 1341.

PURPOSE OF THE CONSPIRACY

10. It was the purpose of the conspiracy to provide false information to and to conceal information from mortgage lenders to induce them to loan funds to defendant Chris Andrews, L.A., their coconspirators, and buyers they recruited and, thereby, to generate funds which defendant Chris Andrews, L.A. and their coconspirators converted to their own use.

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MANNER AND MEANS

It was part of the conspiracy that during the time frame of 2005 to 2008:

11. Defendant Chris Andrews, L.A., and others acting with them identified available residential properties in Minnesota and Wisconsin for which the seller would accept a sales price lower than the sales price that would ultimately be disclosed to the mortgage loan lender ("inflated price") for purposes of securing mortgage loan funding that exceeded the agreed-upon sales price.

12. Defendant Chris Andrews, L.A. and others acting with them recruited buyers to purchase these residential properties at the inflated prices and represented to buyers that the purchase would involved little to no money from the buyer and that the buyer would receive funds ("kickbacks") after the transaction closed.

13. For each residential property transaction, P.O., L.A. and others acting to further the scheme prepared purchase agreements that contained materially false information and concealed material information concerning the transactions, including that the seller had actually agreed to accept a lower purchase price than the inflated purchase price identified on the purchase agreement and that the buyer would receive a kickback from the mortgage loan proceeds (derived from a

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mortgage loan entered based on the inflated purchase price) after his/her transaction closed.

14. Defendant Chris Andrews recruited mortgage brokerages - including Team Access, among others - through which he, L.A., and the buyers that they and others recruited could apply for residential mortgage loans to fund these purchases.

15. Defendant Chris Andrews, L.A., Boler and others acting with them to secure mortgage loan funding for these transactions provided materially false information and concealed material information from mortgage loan lenders concerning the true terms of the real estate transactions and the buyers' true financial condition. For example, lenders were misled as to the buyers' true financial stake in the transaction, the buyers' true income, and/or the buyers' true debts and other obligations, among other material information.

16. Defendant Chris Andrews and others acting with him recruited title closing companies - including Trend Title, among others - to close these real estate transactions based on the inflated purchase prices.

17. Prior to the closings for many of these transactions, defendant Chris Andrews, L.A., and/or others acting with them, loaned funds to the buyers so the buyers could pay the "cash-to-close" - the down payment and other fees that a mortgage lender requires the buyer to pay before the transaction is complete -

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and concealed from mortgage lenders these cash-to-close loans from mortgage lenders.

18. Mathis, acting on behalf of Trend Title, closed these transactions in accordance with instructions received from defendant Chris Andrews, L.A., and/or others acting with them. For example, and as to some of the transactions, L.A. generated and provided to Trend Title invoices for "pre-paid management fees" - fees to be paid from mortgage loan proceeds to specified LLCs that the coconspirators had advised the buyers to form - but concealed from lenders that the entities seeking these fees were, in reality, alter egos of the buyers. As a result, and unknown to the lenders, buyers received substantial kickbacks from mortgage loan proceeds. As an additional example, and later in the scheme, Mathis - acting in concert with defendant Chris Andrews, L.A., and others - concealed from lenders payments of mortgage loan proceeds made to the buyers (the kickbacks) by routing those funds through M.T.R. and its agent, Loyear. This also resulted in buyers receiving substantial kickbacks from mortgage loan proceeds and in lenders having no knowledge that the buyers were promised and had received such kickbacks.

19. The buyers used these mortgage loan proceeds to their own benefit: to repay the cash-to-close loans provided by defendant Chris Andrews and L.A., to make mortgage loan

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payments, to remodel the properties, and for other expenditures of their choosing.

20. Defendant Chris Andrews, L.A., and their close relatives purchased more than 30 residences in this scheme and secured buyers to purchase additional residences, resulting in defendant Chris Andrews and L.A. benefiting from millions of dollars in mortgage loan proceeds.

21. The majority of the residences purchased through this scheme have been foreclosed on or subject to short sales, resulting in substantial losses to the victim lenders.

OVERT ACTS

In furtherance of the conspiracy and to achieve its objects, defendant Chris Andrews and L.A. (collectively, "the conspirators") committed, directly and through accomplices, overt acts including but not limited to the following acts (which encompass only some of the real estate transactions involved in the conspiracy):

22. On or about December 1, 2006, L.A. provided to a title closing company an invoice in the name of HLH Management Services, LLC ("HLH"), for "Pre-Paid Management Services" totaling \$53,598.00; the HLH invoice contained a single return address, that of a mail-drop box opened by L.A.

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23. On or about January 3, 2007, buyer B.V. entered a promissory note with defendant Chris Andrews to repay the cash-to-close to be loaned to B.V. by an identified coconspirator.

24. On or about July 27, 2007, L.A. withdrew \$32,500.00 from the TCF Bank account of ACL Homes, LLC, (account number xxxxxx8275) ("ACL account") and, on behalf of buyer C.H., provided these funds to Trend Title to pay the requisite cash-to-close to purchase a residence in Andover, Minnesota.

25. On or about July 31, 2007, L.A. deposited a \$32,500.00 personal check from C.H. - payable to Chris Andrews and endorsed "Chris Andrews" - in the ACL account, repayment of the cash-to-close previously provided by L.A.

26. On or about July 24, 2007, L.A. withdrew \$32,000.00 from the TCF Bank account of Lynn and Chris Andrews (account number xxxxxx7128) ("Andrews account") and, on behalf of buyer W.D., provided these funds to Trend Title to pay the requisite cash-to-close to purchase a residence in Lakeville, Minnesota.

27. On or about August 2, 2007, L.A. deposited a \$32,000.00 personal check from W.D. - payable to Chris Andrews and endorsed "Chris Andrews" - in the Andrews account, repayment of the cash-to-close previously provided by L.A.

28. On or about September 20, 2007, L.A. withdrew \$55,000.00 from the TCF Bank account of LMA Real Estate Services LLC (account number xxxxxx4285) ("LMA account") and, on behalf



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of buyer C.H., provided these funds to Trend Title to pay the requisite cash-to-close to purchase a residence in Andover, Minnesota.

29. On or about October 2, 2007, L.A. deposited into the LMA account a \$65,000.00 personal check from C.H., repayment of the cash-to-close previously provided by L.A.

30. On or about October 5, 2007, L.A. withdrew \$30,000.00 from the Andrews account and obtained a cashier's check, which was provided to buyer A.B. to pay the requisite cash-to-close to purchase a residence in Waconia, Minnesota.

31. On or about October 16, 2007, L.A. deposited into the Andrews account a \$30,000.00 personal check from A.B., repayment of the cash-to-close previously provided by L.A.

32. On or about November 1, 2007, buyer J.S. entered a promissory note with L.A. (acting on behalf of LMA Real Estate Services, LLC) to repay the cash-to-close to be loaned to J.S. to purchase a residence.

33. On or about December 7, 2007, buyer A.S. entered a promissory note with L.A. (acting on behalf of LMA Real Estate Services, LLC) to repay the cash-to-close to be loaned to A.S. to purchase a residence.

34. On or about March 14, 2008, L.A. withdrew \$68,500.00 from the LMA account and, on behalf of buyers N.F. and J.F.,

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provided these funds to Trend Title to pay the requisite cash-to-close to purchase a residence in Forest Lake, Minnesota.

35. On or about March 20, 2008, L.A. deposited into the LMA account a check from N.F. for \$68,500.00, repayment of the cash-to-close previously provided by L.A.

**COUNTS 2-5**

(Mortgage Fraud Through Interstate Wire)

36. The grand jury realleges and incorporates by reference the allegations made in paragraphs 1 through 35 as though fully stated herein for the purpose of alleging the substantive wire fraud offenses alleged in Counts 2 through 5, below.

37. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, the defendant,

**CHRISTOPHER JON ANDREWS,**

aided and abetted by L.A., Boler, Loyear, Mathis, and others known and unknown to the grand jury, for the purpose of executing the aforementioned scheme to defraud, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signals and sounds, as further described below:

COUNT	ON OR ABOUT DATE	DESCRIPTION OF INTERSTATE WIRE	FOR PURCHASE OF RESIDENCE IN
2	July 25, 2007	Interstate electronic transfer of \$226,189.20 from Bank of New York, NYC, to Trend Title	Lakeville, MN
3	October 5,	Interstate electronic	Waconia, MN

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	2007	transfer of \$148,332.87 from Wells Fargo Bank, NA, to Trend Title	
4	October 11, 2007	Interstate electronic transfer of \$139,324.91 from Bank of New York, NYC, to P. (as identified in paragraph 7)	Waconia, MN
5	February 19, 2008	Interstate electronic transfer of \$253,054.22 from Amtrust Bank to Trend Title	Minneapolis, MN

38. All in violation of Title 18, United States Code, Sections 1343 and 2.

**COUNTS 6-8**

(Mortgage Fraud Through Mail)

39. The grand jury realleges and incorporates by reference the allegations made in paragraphs 1 through 35 as though fully stated herein for the purpose of alleging the substantive wire fraud offenses alleged in Counts 6 through 8, below.

40. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, the defendant,

**CHRISTOPHER JON ANDREWS,**

aided and abetted by L.A., Boler, Loyear, Mathis, and others known and unknown to the grand jury, for the purpose of executing the aforementioned scheme to defraud, did knowingly deposit and cause to be deposited any matter or thing whatever to be sent and delivered by the Postal Service or interstate commercial carrier, as further described below:

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COUNT	ON OR ABOUT DATE	DESCRIPTION OF MAILING	FOR PURCHASE OF RESIDENCE IN
6	September 20, 2007	Closing file from Trend Title, Edina, Minnesota to CitiMortgage, Inc., O'Fallon, MO	Andover, Minnesota
7	February, 19, 2008	Closing file from Trend Title, Edina, Minnesota to AmTrust Bank, Cleveland, OH	Minneapolis, Minnesota
8	April 28, 2008	Closing file from Trend Title, Edina, Minnesota to SunTrust Mortgage, Inc., Richmond, VA	Forest Lake, Minnesota

41. All in violation of Title 18, United States Code, Sections 1341 and 2.

#### **FORFEITURE ALLEGATIONS**

42. Counts 1 through 8 of this Indictment are hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), in conjunction with Title 28, United States Code, Section 2461(c).

43. As the result of the offenses alleged in Counts 1 through 8 of this Indictment, the defendant,

**CHRISTOPHER JON ANDREWS,**

shall forfeit to the United States pursuant to Titles 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the

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violations alleged in Counts 1 through 8 of this Indictment.

If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All in violation of Title 18, United States Code, Sections 2, 981(a)(1)(C), 1341, 1343, 1349; and Title 28, United States Code, Section 2461(c).

A TRUE BILL

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UNITED STATES ATTORNEY

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FOREPERSON